

PUGET VENTURES INC.

INTERIM FINANCIAL STATEMENTS
(Unaudited) – Prepared By Management

FOR THE SIX MONTH PERIODS ENDED OCTOBER 31, 2008 and 2007

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PUGET VENTURES INC.
 BALANCE SHEETS
 UNAUDITED (Prepared by Management)

	October 31, 2008 (Unaudited) \$	April 30, 2008 (Audited) \$
ASSETS		
Current		
Cash	3,489	82,293
Term deposit	330,000	101,560
GST receivable	47,209	9,227
Prepaid expenses and deposits	49,640	19,260
	430,338	212,340
Mineral properties (Note 4)	977,754	10,000
	1,408,092	222,340
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	27,856	63,325
Shareholders' equity		
Capital stock (Note 5)	1,801,164	301,242
Contributed surplus (Note 5)	93,920	45,995
Deficit	(514,848)	(188,222)
	1,380,236	380,2
	36	159,015
	1,408,092	222,340

Nature of Operations (Note 2)
Subsequent Events (Note 9)

On behalf of the Board:

“Erin Airton”
 Erin Airton

Director

“Raymond Castelli”
 Raymond Castelli

Director

PUGET VENTURES INC.
STATEMENTS OF OPERATIONS AND DEFICIT
UNAUDITED (Prepared by Management)

	Three months ended October 31		Six months ended October 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
Interest revenue	1,404	339	2,259	339
Expenses				
Professional fees	70,620	4,087	100,390	8,813
Consulting fees	36,000	0	81,000	0
Shareholder relations	21,456	0	45,533	0
Travel	5,400	262	17,008	1,086
Rent	4,350	2,700	8,700	5,400
Filing and registration fees	4,251	3,582	13,994	3,582
Office overhead	3,200	12,242	16,573	13,321
Stock-based compensation	0	0	17,325	0
Write off exploration costs	28,361	0	28,361	0
	173,638	22,873	328,884	32,202
Net loss for the period	172,234	22,534	326,625	31,863
Deficit, opening	342,614	22,966	188,223	13,637
Deficit, ending	514,848	45,500	514,848	45,500
Basic loss per common share	0.02	0.007	0.04	0.011
Weighted average number of common shares outstanding	9,065,000	3,190,293	8,326,005	2,819,071

PUGET VENTURES INC.
STATEMENTS OF CASH FLOW
UNAUDITED (Prepared by Management)

	Three months ended October 31		Six months ended October 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash flows from operating activities				
Loss for the period	172,234	22,534	326,625	31,863
Items not involving cash				
Stock based compensation	0	0	17,325	0
Write off of exploration costs	28,361	0	28,361	0
Changes in non-cash working capital items:				
Prepaid expenses	(1,058)	19,898	(30,380)	(375)
GST recoverable	(1,707)	(3,417)	(37,982)	(4,340)
Accounts payable and accrued liabilities	(262,263)	41,043	(35,468)	29,253
	(408,901)	34,990	(384,769)	(7,325)
Cash flows from investing activities				
Purchase of term deposit	0	0	(600,000)	0
Mineral properties purchase & development	(76,804)	0	(822,267)	0
	(76,804)	0	(1,422,267)	0
Cash flows from financing activities				
Redemption of term deposit	270,000	0	428,125	0
Capital stock issued for cash, net of share issuance costs	5,089	173,657	1,356,673	208,506
	275,089	173,657	1,784,798	208,506
Increase (decrease) in cash	(210,616)	208,647	(22,238)	201,181
Cash, beginning of Period	214,105	96,224	25,727	103,690
Cash, end of period	3,489	304,871	3,489	304,871
Cash paid during the period for interest	0	0	0	0
Cash paid during the period for income taxes	0	0	0	0
Supplementary Disclosures Shares Issued for Mineral Properties	0	0	173,850	0

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2008
and October 31, 2007
UNAUDITED – PREPARED BY MANAGEMENT

1. INCORPORATION

The Company was incorporated under the *Business Corporations Act* (British Columbia) on March 9, 2007 and is classified as a capital pool corporation (“CPC”) defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company successfully completed its initial public offering (“IPO”) and began trading on the TSX-V on October 31, 2007 under the symbol PVS.P.

2. NATURE OF OPERATIONS

The Company's has started drilling on the Trout Bay property and has yet to determine if the properties contain resources that are economically viable. Additional funding will be required to fulfill its exploration commitments per agreements on the property with Goldcorp Inc. and West Timmins Mining Inc. As at October 31, 2008, the Company has working capital of \$402,482 (April 30, 2008 - \$149,015), which will not be sufficient to achieve the Company's currently planned business objectives for remainder of 2009 fiscal year. With the consent of the TSX-V, the Company will raise additional funds in order to finance operating and property acquisition requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the assets, liabilities and operations of the Company. These interim financial statements do not contain all the information required by generally accepted accounting principles for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended April 30, 2008. The accounting policies and methods used in the preparation of these interim unaudited financial statements are consistent with those used in the Company's more recent audited financial statements.

4. MINERAL PROPERTIES

- (a) The Company completed the acquisition of an option to acquire a 60% interest in the Trout Bay Property located in Red Lake, Ontario, from Red Lake Gold Mines/Goldcorp Inc. The consideration comprised of \$155,500 (paid) and 285,000 common shares (issued). The acquisition constitutes the Company's qualifying transaction (the ‘Qualifying Transaction’) pursuant to the policies of the TSX Venture Exchange. The Qualifying Transaction was completed on May 15, 2008. During the period the Company incurred \$648,404 in exploration costs on the property.

Further Details of the Qualifying Transaction

Pursuant to the Qualifying Transaction, the Company issued 285,000 common shares to West Timmins Mining Inc., which were subject to a hold period to September 15, 2008

The Company has paid \$155,500 and issued 285,000 common shares related to the acquisition costs and incurred \$648,404 in exploration work on the Trout Bay property.

PUGET VENTURES INC.

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4. MINERAL PROPERTIES (cont'd)

- (b) During the current quarter the Company has, due to market conditions, elected to not proceed with the 100% acquisition of 1592129 Ontario Inc., and has respectfully expensed \$28,361.00, those related to mining due diligence costs.

5. CAPITAL STOCK

	Number of Shares	Amount	Contributed Surplus
		\$	\$
Authorized Unlimited common shares without par value			
Issued			
Balance at April 30, 2007	2,240,000	112,000	0
Issuance of common shares from private placement	990,000	49,500	0
Issuance of common shares from IPO	2,500,000	250,000	0
Share issuance costs		(110,258)	13,525
Stock-based compensation		0	32,470
Balance at April 30, 2008	5,730,000	301,242	45,995
Issuance of common shares from private placement	1,500,000	750,000	0
Issuance of flow-through shares from private placement	1,500,000	750,000	0
Issuance of common shares for payment on mineral properties	285,000	173,850	0
Share issuance costs	50,000	(173,928)	30,600
Stock-based compensation		0	17,325
Balance at October 31, 2008	9,065,000	1,801,164	76,595

PUGET VENTURES INC.

NOTES TO THE FINANCIAL STATEMENTS
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5. CAPITAL STOCK (cont'd)

During the six month period ended October 31, 2008, the Company completed a private placement for 1,500,000 units for \$0.50 each and 1,500,000 flow-through shares for \$0.50 each for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half share purchase warrant. Each full share purchase warrant is exercisable for \$0.75 each expiring October 31, 2009. Share issue costs of \$177,144, including \$28,728 for the fair value of agent's warrants, were incurred for the private placement.

During the six month period ended October 31, 2008, the Company issued 285,000 shares pursuant to the terms of the Trout Bay property option agreement.

Stock Options

During the six month period ended October 31, 2008, 150,000 options were granted at an exercise price of \$0.75 each, expiring on June 1, 2013. As of October 31, 2008, 575,000 stock options are outstanding with a weighted average exercise price of \$0.27.

Agent's warrants

During the six month period ended October 31, 2008, 120,000 agent's warrants were granted at an exercise price of \$0.75 each, expiring on October 31, 2009. The fair value of \$30,600 has been included in share issue costs for the agent's warrants issued. As of October 31, 2008, 370,000 agent's warrants are outstanding with a weighted average exercise price of \$0.31.

Warrants

During the six month period ended October 31, 2008, 800,000 warrants were granted at an exercise price of \$0.75 each, expiring on October 31, 2009. As of October 31, 2008, 800,000 warrants are outstanding with a weighted average exercise price of \$0.75.

Stock-based compensation

The Company uses the fair value method for determining stock-based compensation for all options granted during the fiscal periods. The fair value was determined using the Black-Scholes option pricing model based on the following assumptions:

	Six Months ended October 31, 2008
Expected life (years)	5
Interest rate	3.14%
Volatility	100.00%
Dividend yield	0.00%

During the period ended October 31, 2008, stock-based compensation related to options granted was \$17,325 (2007 - \$nil).

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6. RELATED PARTY TRANSACTIONS

During the period, the Company incurred professional and consulting fees that were paid to shareholders and officers of the company.

	October 31, 2008	October 31, 2007
	\$	\$
Professional fees	15,981	nil
Consulting fees	112,500	nil

The transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. INCOME TAXES

The reconciliation of income tax attributable to continuing operations at the statutory tax rates to income tax expense is:

	Six-Month Period ended October 31, 2008	Six-Month Period ended October 31, 2007
	\$	\$
Income tax benefit computed at Canadian statutory rates	101,254	10,833
Non-deductible stock-based compensation	(5,371)	0
Share issuance costs	6,719	0
Meal and entertainment expenses	(116)	0
Other	10	0
Tax rate variation	(16,532)	0
Unrecognized tax losses	(85,964)	(10,833)
	0	0

The Company has non-capital losses available that may be carried forward to apply against future income for Canadian tax purposes. The losses start to expire as follows:

	\$
2027	14,000
2028	159,000
2029	309,000
	482,000

The potential benefit of these loss carry-forwards has not been recorded in these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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7. INCOME TAXES (cont'd)

Future income tax assets reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The applicable tax rate to be expected is 26%. Significant components of the Company's future tax assets are as follows:

	As at October 31, 2008 (Unaudited) \$	As at April 30, 2008 (Audited) \$
Future income tax assets		
Tax value over book value of share issuance costs	45,685	20,120
Non-capital loss carry-forwards	125,320	44,863
Temporary differences in assets	219	228
	171,224	65,211
Valuation allowance	(171,224)	(65,211)
Net future income tax assets	0	0

The valuation allowance reflects management's belief that it is more likely than not that the future tax asset will not be realized.

8. COMMITMENTS

The Company has retained Contact Financial Corporation to provide investor relations services to the Company, effective June 1, 2008. Contact will be paid \$8,000 per month and will also receive 150,000 incentive stock options at an exercise price of \$0.75 per share. The options are valid for five years and will vest quarterly over a period of 12 months, pursuant to Puget's stock option plan and the rules of the TSX Venture Exchange.